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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Amendment of the Part 69 Allocation) CC Docket No. 92-222
of General Support Facility Costs)

REPLY COMMENTS OF THE
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION

The National Telephone Cooperative Association ("NTCA") submits these Reply Comments in response to comments filed in this proceeding on December 4, 1992.¹ NTCA is a national association of approximately 480 small local exchange carriers ("LECs") providing service to subscribers and interexchange carriers across rural and small town America.

In this proceeding, the Commission is examining whether its Part 69 access element allocation rules should be modified to remove what the Commission has found as "the only significant non-cost-based support flow imposed by regulations affecting special access. . . ."² The non-cost-based rate questions emanate from the Commission's decision to proceed with expanded competitive access provider interconnection with local exchange carrier ("LEC") facilities for the provision of special access services. To remove the perceived over-allocation, the Commission is proposing to revise Section 69.307 of its rules to delete the words "excluding Category 1.3."³ This change would

¹ Comments were filed pursuant to the Commission's Report and Order and Notice of Proposed Rulemaking, FCC 92-440, released October 19, 1992 in the above-captioned proceeding ("NPRM"). Unless otherwise indicated, all citations refer to comments filed on December 4, 1992 in the docket captioned above.

² NPRM at para. 147.

³ Id. at para. 269.

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lower the allocation of general support facilities ("GSF") costs to the special access element and redistribute GSF costs according to the revised allocator. This redistribution will move costs from traffic sensitive to common line recovery.

NTCA agrees with the overwhelming majority of commenting parties that support the proposed revision to the rules. The rules under the current scheme which does not apportion GSF costs to follow Category 1.3 cable and wire facilities, a major portion of most telcos' plant, are a conceptual departure from the fully-allocated historical approach. The revised procedures will correct this situation.⁴

The commenting parties are in near perfect agreement over the need, the result, and the merits of the proposed Part 69 rule change. However, suggestions for other cost recovery changes, specifically to allow increases in the maximum subscriber line charge to recover the reallocated GSF costs, are beyond the scope of this narrow rulemaking proceeding.⁵ NTCA maintains that any proposal to increase the subscriber line charge maximums must be considered in the context of the many cost allocation and recovery issues. The existing cost recovery plan leading to the current SLC levels was enacted following a Federal-State Joint Board study and a LEC industry resolution regarding a set of

⁴ The change will also help reduce the upward pressure on traffic sensitive rates for smaller LECs. See, Comments of the National Exchange Carrier Association ("NECA") at 2-4.

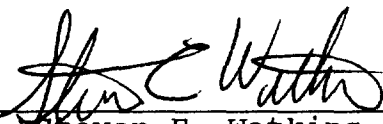
⁵ See, e.g., GTE at 4-7; Pacific Telesis at 5; NYNEX Telephone Companies at 4-5; and Southwestern Bell Telephone at 8.


interrelated and often conflicting objectives.⁶ An increase in the subscriber line charge, prescribed in isolation from other cost allocation and recovery impacts, is unacceptable to NTCA's members.⁷

Finally, NTCA agrees with the commenting parties that insist that LECs should be afforded ample notification and opportunity to file tariffs to recover any changes in cost allocation.⁸ LECs should receive notice of adoption of changes in the rules with enough lead time to allow the rate changes to be included in one of the already-scheduled tariff filings.

Respectfully submitted,

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December 21, 1992

⁶ Recommended Decision and Order, MTS and WATS Market Structure and Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board, CC Docket Nos. 78-72 and 80-286, FCC 87J-1, 2 FCC Rcd 2324 (1987). See also, the 1986 Unity 1-A Agreement filed by the National Rural Telecom Association, NTCA, Organization for the Protection and Advancement of Small Telephone Companies, and the United States Telephone Association filed with the Federal-State Joint Board on July 25, 1986.

⁷ Furthermore, NTCA opposes any waiver requests from individual LECs to raise the maximum subscriber line charge because such changes should only be considered in a full record proceeding. See, NYNEX Telephone Companies at 4-5.

⁸ See, e.g., NECA at 3-4.

CERTIFICATE OF SERVICE

I, Rita H. Bolden, certify that a copy of the foregoing Reply Comments of the National Telephone Cooperative Association in CC Docket No. 92-222 was served on this 21th day of December 1992, by first-class, U.S. Mail, postage prepaid, to the following persons on the attached list.


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